

## SECTION II – PROVIDING THE RIGHT FORCE TODAY

The Navy and Marine Corps team continues to answer our Nation's call in the Global War on Terrorism (GWOT) and in the establishment of stability and security in the world's trouble spots. From combat operations in Iraq to tsunami relief efforts in Indonesia, the Navy and Marine Corps team has proven ready to meet any task and answer any challenge.

### CONTINGENCY OPERATIONS

FY 2006 contingency operations include Operation Enduring Freedom (Afghanistan, the horn of Africa, and related areas), and Operation Iraqi Freedom. In order to ensure adequate resources are available for GWOT operations early in the fiscal year, the Congress appropriated \$50 billion until a full year supplemental is approved. Other funds necessary to support GWOT operations during FY 2006 will be included in an additional supplemental appropriation request. Additionally, the Department has received significant funding for hurricane recovery and humanitarian relief impacting the Gulf Coast. The following table represents funds already appropriated and reflected in the FY 2007 budget specifically for these purposes.

**Chart 4 - FY 2006 Contingency Funding**

Department of the Navy Portion of War Related Appropriations					
	GWOT (Title IX)		Hurricane		
<i>Dollars in Millions</i>	Navy	Marine Corps	Navy	Marine Corps	TOTAL
Military Personnel	154	455	77	15	701
Operation and Maintenance	1,817	1,861	871	20	4,569
Aircraft Procurement	139	-	3	-	142
Procurement of Ammunition	7	32	2	-	41
Other Procurement	49	-	65	-	114
Weapons Procurement	117	-	-	-	117
Shipbuilding and Conversion	-	-	1,689	-	1,689
Military Construction	-	-	411	-	411
Research and Development	-	-	2	-	2
Working Capital Fund	-	-	-	-	-
Family Housing	-	-	135	-	135
Procurement, Marine Corps	-	1,710	-	-	1,710
<b>Total</b>	<b>\$2,283</b>	<b>\$4,058</b>	<b>\$3,256</b>	<b>\$35</b>	<b>\$9,632</b>

These funds have been applied to incremental costs associated with activation of reserve personnel and units, increased fuel consumption and spare parts, additional maintenance supporting higher usage of equipment, deployment of medical capabilities (hospital ships and deployable fleet hospitals), extended communications and intelligence support, and related transportation costs. Additionally, investment items lost, damaged or in need of replacement resulting from increased “wear and tear” from the higher operating tempos are also included. All these contingency or wartime costs are requested through supplemental appropriations or transfers.

The amounts above for GWOT do not include the Department’s estimate for the full-year costs. When submitted, the full year FY 2006 GWOT supplemental request will be substantially higher than the comparable FY 2005 GWOT amounts because, based on the higher operating tempo and usage in-theater, the Department will include substantial reconstitution costs required to reset (repair and replace) used Navy and Marine Corps equipment across the naval forces.

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## GLOBAL WAR ON TERRORISM

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Winning the Global War on Terrorism is our number one priority. We continue to support the GWOT through naval combat forces that are capable and relevant to the missions assigned. The Department has deployed various forces into the Central Command (CENTCOM) area of responsibility (AOR) to support in-theater deployment of Marine Corps combat units (and attached Navy medical personnel and construction battalion) and provide other sustainment support (such as port and cargo handling and supply support, medical support, mail and transportation, explosive ordnance).



Currently, over 28,000 Marines and approximately 19,500 Navy (both ground and shipboard) personnel are engaged in CENTCOM AOR supporting GWOT operations. The Marine Corps has taken part in combat operations and is now directly responsible for stability and security in Al Anbar province. Their expeditious and innovative pre-deployment combat skills training program, rapid modifications of combat equipment to meet an evolving threat, and their emphasis on cultural and



language capabilities have contributed to considerable accomplishments in this complex region. Marines are currently executing multiple security, urban combat, nation building, counter-insurgency, command and control, and force protection missions with great confidence and skill, in the face of an adaptable and dangerous enemy. Hundreds of naval medical personnel were deployed to Iraq in support of Marine forces, as well as over 1,000 active and reserve Navy Seabees responsible for construction support.

A carrier strike group and an expeditionary strike group have continuously been on station in the CENTCOM AOR, providing direct operational and combat support. Naval coastal warfare and explosive ordnance detection forces provided security for Iraqi oil terminals and thwarted terrorist forces from disrupting the off-shore energy supply. The Navy has mobilized and provided additional forces to augment Army operations, including medical support; Naval Expeditionary Logistic Support Forces, which have provided port handling and supply support; military police and other security forces.



In Afghanistan the Marine Corps provided, on short-notice, a regimental headquarters, an infantry battalion, and a combined arms Marine Expeditionary Unit. They continue to provide both ground and aviation forces - currently an infantry battalion, elements of two helicopter squadrons, and training teams - to protect and foster this new democracy.



Because more than 95 percent of the world's commerce moves by sea, it is likely that terrorist networks utilize merchant shipping to move cargo and passengers. The United States naval forces are well trained to carry out the mission of deterring, delaying, and disrupting the movement of terrorists and terrorist-related material at sea.

During the year, the Navy and Marine Corps will conduct a major rotation of our CENTCOM deployed forces. Many of these units have previously deployed to this theater, but we continue to aggressively match our training, forces, and equipment to the changing threat.

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## HURRICANE RECOVERY AND HUMANITARIAN RELIEF

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The Navy and Marine Corps team can rapidly respond to crises around the globe, whether they are humanitarian or combat-related without impeding our ongoing commitments to combating terrorism. The past year has seen a high number of natural disasters in the United States, primarily from Hurricanes Katrina, Rita, Ophelia and Wilma, which inflicted substantial damage.



Hurricane Katrina severely impacted Navy facilities in the Gulf Coast area, requiring the evacuation and sustainment of over 38,200 Navy, civilian employees and family members (9,400 Navy personnel and 15,100 of their family members; 3,900 civilian employees and their 9,800 family members). A major clean up, recovery, repair and construction effort is underway across Alabama, Louisiana, and Mississippi, to make necessary repairs, as well as to ensure Navy contractors, such as shipyards, continue to provide critical Navy assets to meet its national military strategy mission. These costs are currently estimated at \$5.5 billion.

Additionally, within the United States, the Robert T. Stafford Disaster Relief and Emergency Assistance Act authorizes DoD to provide humanitarian assistance and disaster relief support for civilian communities. Coordinated through the U.S.



Northern Command, DoD's designated homeland security and disaster assistance manager, the Navy and Marine Corps supported local needs through the Federal Emergency Management Agency (FEMA). Under the direction of Joint Task Force Katrina, the Department of the Navy has had more than 8,500 Sailors and Marines afloat and 1,300 Marines ashore providing humanitarian assistance to millions of people affected by the hurricanes that swept through the Gulf coast region from August 29 through October 24.

The largest of these events, Hurricane Katrina, resulted in the Navy and Marines flying over 2,500 sorties and 4,400 hours in 61 aircraft to rescue and medevac victims and survivors along the Gulf of Mexico coast. Seventeen ships were deployed, evacuating survivors, and providing over 47,000 meals to ship's company and relief workers engaged in support activities. Navy ships and aircraft also delivered over 3.1 million pounds of food and water to the impacted communities and relief



workers. While docked in New Orleans, the USS *Iwo Jima* served as the on-site command center for Joint Task Force Katrina, coordinating area wide DoD support utilizing its command, control, and communications equipment to replace destroyed local telecommunications infrastructure. Along with the USNS *Comfort* (one of two Navy hospital ships), Navy ships treated over 1,000 civilian medical patients with their on-board medical staffs, who also went ashore to provide services.



Navy ships assisted in surveying and clearing over 150 miles of seaway along the Mississippi River and Gulf Coast ports and rivers, including underwater surveillance by diving and salvage teams. Navy Seabees and Marines provided substantial civilian support, including preparing relocation sites and building temporary housing facilities, including power and sanitation. The Seabees will continue to provide this support until relieved. The full cost of this direct support is being reimbursed by supplemental appropriations made by Congress to the Federal Emergency Management Agency. The Navy and Marine Corps portion of those costs currently total over \$80 million.

The Navy and Marine Corps are providing assistance to the government of Pakistan supporting earthquake relief efforts. Currently, nearly 300 Navy and Marine Corps personnel are providing support at four locations in Pakistan, including medical care. The Department has also provided assistance to Guatemala to cope with the aftermath of Hurricane Stan.



The forward posture and readiness for agile response that characterizes our Navy/Marine Corps team positions us to play an integral role in Department of Defense humanitarian efforts, alongside other federal and international agencies in support of nations affected by disaster. We continuously train for humanitarian assistance missions in order to respond rapidly and efficiently to such large-scale disasters, so that we can rapidly reduce the further loss of life and human suffering.

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## HOMELAND SECURITY

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Under the National Security Presidential Directive (NSPD-41), we are continuing to cultivate relationships and develop capabilities to maximize the advantage that operating in the maritime domain brings to homeland security. We are broadening our relationship with the navies of international allies to prosecute the GWOT. We are expanding the Proliferation Security Initiative to other countries and working bilateral boarding initiatives in all hemispheres.



We are also integrating intelligence and command and control systems with other government agencies like the Department of Homeland Security to effectively evaluate the maritime environment and anything that could adversely influence the security, safety or economy of America and our allies. We continue to develop the Navy's role in the Maritime Domain Awareness concept, including ship tracking and surveillance, to identify threats as early and as distant from our borders as possible in order to determine the optimal course of action. We are working with the Department of Homeland Security to develop a comprehensive National Maritime Security Response Plan to address specific security threats and command and control relationships.



## READINESS

Our carrier strike groups (CSGs), expeditionary strike groups (ESGs), and Marine Expeditionary Forces provide the capability called for in the National Military Strategy to shape the international environment and respond to the full spectrum of crises. Our budget provides for operational levels that will maintain the high personnel and unit readiness necessary to conduct the full spectrum of joint military activities. Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) demonstrated the responsiveness of current readiness levels.

The Global War on Terrorism requires that we operate differently. We continue our readiness transformation under the Fleet Response Plan (FRP), turning the Fleet into a more effective force by creating a culture of readiness; meeting new readiness and



surge thresholds; changing manning, maintenance and training processes to support surge and deployment; and lengthening inter-deployment cycles. The focus is to enable the Fleet to be both forward deployed and also capable of surging substantial

forces. This Navy budget will support up to six CSGs within 30 days and one additional CSG within 90 days, for tasking in a national emergency ("6+1"). In order to attain this substantial surge force, the FRP modifies previous ship and air wing operating cycles to extend the Inter-Deployment Readiness Cycle from 24 months to 27 months. In addition, the FRP modifies training and manpower processes. The FRP increases significantly the amount of time each ship and squadron is available for crisis response, "operationalizing" the Navy's readiness investment. The FY 2007 request includes resources in the operating accounts to sustain FRP at the "6+1" construct. The Summer Pulse '05 fleet exercise demonstrated the Navy's ability to operate seven carriers simultaneously in five theaters.

The role of the Navy and Marine Corps on the world stage is evident throughout the budget. From contributions to multilateral operations under United Nations/NATO auspices to cooperative agreements with allied Navies, international engagement efforts cross the entire spectrum of the Department's missions and activities. Naval capabilities are often demonstrated through participation with allies and other foreign countries, in joint exercises, port visits, and exchange programs.



Operational activities include drug interdiction, joint maneuvers, multi-national training exercises, humanitarian assistance (including natural disaster, medical, salvage, and search and rescue), and when called upon contingency operations, such as in the Arabian Gulf, the Balkans, and Afghanistan/Northern Arabian Sea as part of Operation Enduring Freedom and Iraq as part of Operation Iraqi Freedom. On any given day, approximately 36,000 Sailors and 32,000 Marines in over 90 ships and bases are deployed to locations around the world. At times of heightened operations, these numbers often surge to higher levels.

### Chart 5 - Navy/Marine Corps Today

#### Navy

- 92 ships deployed (33% of total)
  - ROOSEVELT CSG – Persian Gulf
  - REAGAN CSG – Australia
  - NASSAU ESG – Indian Ocean
  - TARAWA ESG – Far East
- 134 ships underway (48% of total)
- 358,590 active strength
- 36,367 on deployment
- 4,350 activated reserves



**Navy-Marine Corps Team  
Forward deployed and ready**



#### Marine Corps

- Second Marine Expeditionary Force (II MEF) finalizing redeployment from Iraq AOR
- I MEF in the process of relieving II MEF
- III MEF assisting in the Pakistan Earthquake Relief efforts, also have forces in Afghanistan
- 179,366 active strength
- 7,121 activated reservists

Chart 5 - Reflects Navy/Marine Corps operations as of 3 February 2006.



## SHIP OPERATIONS

### *Battle Force Ships*

The budget provides for a deployable battle force of 283 ships at the end of FY 2006 and 285 ships in FY 2007 as shown in Table 3. This level will support 11 aircraft carriers and 11 large amphibious ships as the base on which our carrier and expeditionary strike groups form for deployment.

In FY 2007, fourteen ships (four Amphibious Transport Dock Ships (LPD), three Dry Cargo and Ammunition Ships (AKE), three Guided-Missile Destroyers (DDG), one Amphibious Assault Ship (LHD), one Nuclear-Powered Attack Submarine (SSN), one Littoral Combat Ship (LCS), one Oceanographic Survey Ship (AGOS)) will be delivered, while eleven ships (four Nuclear Attack Submarines (SSN), three Amphibious Transport Dock Ships (LPD), two Coastal Minehunter ships (MHC), one Amphibious Assault Ship (LHA), one Combat Logistics Ship (AO)) will be inactivated.

**Table 3**

#### *Department of the Navy*

#### *Battle Force Ships*

	FY 2005	FY 2006	FY 2007
Aircraft Carriers *	12	12	11
Fleet Ballistic Missile Submarines	14	14	14
Guided Missile (SSGN) Submarines	4	4	4
Surface Combatants	99	102	106
Nuclear Attack Submarines	54	55	52
Amphibious Warfare Ships	34	33	34
Combat Logistics Ships	30	30	32
Mine Warfare Ships	17	16	14
Support Ships	17	17	18
<b>Battle Force Ships</b>	<b>281</b>	<b>283</b>	<b>285</b>

\* The FY 2006 National Defense Authorization Act requires not less than 12 operational carriers. The Navy requirement as validated in the QDR is 11. No additional funds were appropriated in FY 2006 to maintain the 12<sup>th</sup> carrier. Similarly no funds were requested in PB 2007 for these purposes. The Navy will need to reprogram from other efforts to sustain the Kennedy's operational, manpower, and maintenance costs so long as 12 carriers are a statutory requirement.



## Active Forces

The Department is determined to ensure the full readiness of the carrier strike groups (CSGs) and expeditionary strike groups (ESGs) that have been instrumental in the prosecution of the Global War on Terrorism. For FY 2007, deployed ship operations are budgeted to maintain highly ready forces, prepared to operate jointly to perform the full-spectrum of military activities, and to meet forward deployed commitments in support of the National Military Strategy. The FY 2007 budget request supports the Fleet Response Plan (FRP), enabling ships to surge and reconstitute rapidly. The Department is now ready to provide six CSGs within the first 30 days of a potential conflict and one additional carrier group within the next 90 days. The FY 2007 budget provides funds necessary to support 36 underway days per quarter of the active operational tempo (OPTEMPO) for deployed forces and 24 underway days per quarter for non-deployed forces. Consistent with FY 2006 Congressional actions reducing peacetime OPTEMPO levels, our FY 2007 baseline budget estimates also include reductions to peacetime OPTEMPO levels.



Non-deployed OPTEMPO provides primarily for the training of Fleet units when not deployed, including participation in individual unit training exercises, multi-unit exercises, joint exercises, sustainment training, and various other training exercises. The extension of the training period under FRP allows for a reduction in non-deployed OPTEMPO while maintaining a combat ready and rapidly deployable force.

**Chart 6 - Active Force Ship OPTEMPO**

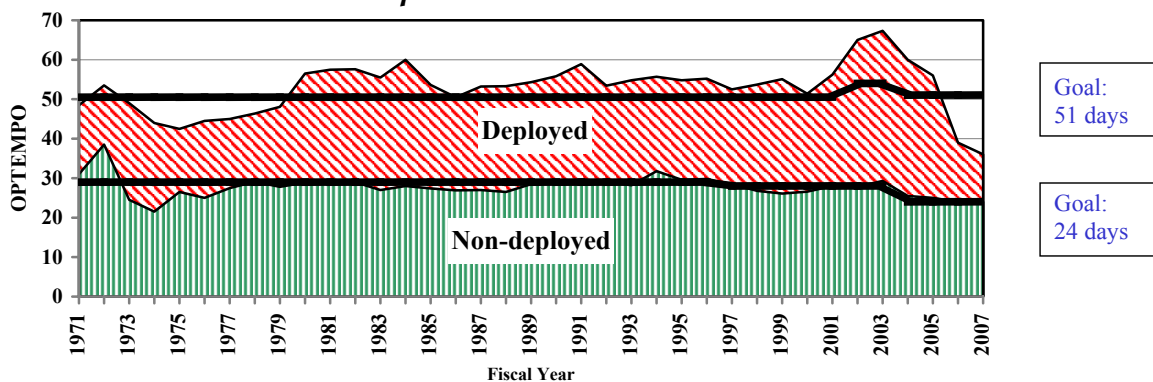


Chart 6 illustrates historical and budgeted OPTEMPO. The horizontal lines are the deployed and non-deployed budgeted goals. Fluctuations from the goals reflect real world operations.

## Reserve Forces

The Navy Reserve force continues to integrate with the active force to achieve readiness goals. In FY 2007, the Navy Reserve will consist of 13 Battle Force ships with nine FFGs and four MCMs. Table 4 reflects reserve battle force ships and their respective non-deployed steaming days.

**Table 4**

### Department of the Navy

#### Significant Navy Reserve Force Factors

	FY 2005	FY 2006	FY 2007
Surface Combatants	9	9	9
Mine Warfare	6	5	4
<b>Reserve Battle Force Ships*</b>	<b>15</b>	<b>14</b>	<b>13</b>

#### Steaming Days Per Quarter

Surface Combatants	18	18	18
Mine Warfare	18	18	18

\* Also included in Table 3

## Mobilization

Mobilization forces provide rapid response to contingencies throughout the world. Sealift assets include prepositioning and surge ships. Operating costs of prepositioning ships and exercise costs for surge ships are reimbursed to the National Defense Sealift Fund (NDSF) by the operations account of the requiring Defense component, as parenthetically noted in Table 5. Department of the Navy operation and maintenance appropriations reimburse the biennial exercise costs of the Hospital Ships and the Aviation Maintenance Ships, and will continue to fund the daily operating costs of the Maritime Prepositioning Ships (MPS). Each of three MPS squadrons supports a Marine Expeditionary Brigade for 30 days.



Readiness training for each of the two naval Hospital ships, USNS *Mercy* and the USNS *Comfort*, occurs alternating every two years. In FY 2006, the USNS *Comfort* will be activated for a 20-day mission biennial fleet exercise to test its mobilization

readiness. As a part of its Global War on Terrorism strategy, The Navy will deploy the USNS Mercy hospital ship to Southwest Asia during FY 2006. This deployment will be a joint civil-military operation and provide valuable humanitarian assistance (direct medical services and preventative medical care) to medically underserved communities throughout the region. Hospital ships also provide assistance to other U.S. Government agencies. In that capacity, the USNS *Comfort* was activated in September 2005, and sailed to the Hurricane Katrina-affected region of the Gulf of Mexico to provide medical support and humanitarian aid for victims of this natural disaster.

Table 5 displays the composition of Navy mobilization forces.

**Table 5**

***Department of the Navy  
Strategic Sealift***

	FY 2005	FY 2006	FY 2007
<b><u>Prepositioning Ships:</u></b>			
Maritime Prepo Ships (O&M,N)	16	16	16
USPACOM Ammo Prepo (O&M,N)	1	1	1
Army Prepo Ships (O&M,A)	10	10	10
Air Force Prepo Ships (O&M,AF)	4	4	4
DLA Prepo Ships (DWCF)	2	1	-
<b><u>Surge Ships:</u></b>			
Aviation Logistics Support (NDSF)	2	2	2
Hospital Ships (NDSF)	2	2	2
Fast Sealift Ships (NDSF)	8	8	8
Ready Reserve Force Ships (NDSF)	58	55	54
Large Medium-Speed RORO Ships (NDSF)	11	11	11
Prepositioning Capacity (millions of square feet)	5.7	5.7	5.7
Surge Capacity (millions of square feet)	9.0	9.0	9.0
Total Sealift Capacity (millions of square feet)	14.7	14.7	14.7

***Ship Maintenance***

With more than eight years of combined depot and intermediate mission-funded maintenance experience at one or more of its public shipyards, the Department's FY 2007 ship maintenance budget reflects the realignment of two more public shipyards, Norfolk and Portsmouth Naval Shipyards from the Navy Working Capital Fund to mission funding in Operation and Maintenance. This initiative will



eliminate the inefficiencies that negatively impact fleet operations when managing ship maintenance under two different financing methodologies. The ship maintenance budget reflects the Fleet Response Plan, which lengthens periods



between shipyard availabilities, yet creates a more employment-capable and responsive fleet that is able to surge and reconstitute rapidly. The primary advantage of mission funding is that it best supports the FRP by allowing Fleet Commanders, rather than fleet support activities, to control priorities. To achieve optimal success,

the fleet must be able to quickly and efficiently allocate work to ships that are required to surge and to integrate the application of all available resources while properly accounting for resource use. The Department's active ship maintenance budget supports 97 percent of the notional O&M maintenance projection in FY 2006 and 95 percent in FY 2007. In these years 100 percent of the projected work on refueling overhauls is funded. We have adjusted the budgeted notional availabilities to reflect the recent experience of increasing depot maintenance requirements.

The following concepts outline the strategy to support both current and future readiness:

- *SHIPMAIN* - a "best business" practice that is changing the culture of getting ship repair work completed in a one-step process. Through new procedures, SHIPMAIN implements a refined process that eliminates time lags, prioritizes ship jobs, and empowers surface ship Sailors in the maintenance decisions that involve their own ships.
- *One Shipyard for the Nation* - an approach to best utilize the Nation's public and private nuclear shipyards and contractor support. It capitalizes on the ability to mobilize fleet support infrastructure across the board, and to rise to meet fleet demands in a time of war.
- *Regional Waterfront Maintenance Integration* - continued consolidation of depot and intermediate ship maintenance facilities forming Regional Maintenance Centers. Consolidating waterfront infrastructure eliminates redundancy in mission and administration while establishing a single pierside maintenance activity to support Sailors and their ships.
- *Multi-Ship/Multi-Option Contracts* - allows the executing agency to better plan work and take advantage of best repair capabilities. They will provide long-term vendor relationships throughout ships' training, deployment, maintenance, and modernization cycles in order to reduce costs through the benefits of advanced planning.

The Nation's ship repair base, which includes public and private shipyards, has the capacity to execute the FY 2006 and FY 2007 ship maintenance as well as deferred maintenance amounts reflected in Table 6. Annual deferred maintenance is work that was not performed when it should have been due to fiscal constraints. This includes items that were not scheduled or not included in an original work package due to fiscal constraints, but excludes items that arose since a ship's last maintenance period. As the execution year progresses, the workload can fluctuate, impacted by factors such as growth in scope and new work on maintenance availabilities, changes in private shipyard cost and shipyard capacity. While some amount of prior years' deferred maintenance may be executable in following years (depending on deployment schedules and shipyard capacity), the numbers in Table 6 reflect only those individual years' deferred maintenance, not a cumulative amount.

**Table 6****Department of the Navy****Ship Maintenance***(Dollars in Millions)*

	FY 2005	FY 2006	FY 2007
<b>Active Forces</b>			
Ship Maintenance	4,298	3,846	3,723
Depot Operations Support	1,106	822	979
<b>Total: Ship Maintenance (O&amp;MN)</b>	<b>\$5,404</b>	<b>\$4,668</b>	<b>\$4,702</b>
<b>Percentage of Projection Funded</b>	98%	97%	95%
<b>Annual Deferred Maintenance</b>	\$54	\$119	\$192
CVN Refueling Overhauls (SCN)	331	1,318	1,072
SSN Refueling Overhauls (SCN)	4	-	22
SSBN Refueling Overhauls (SCN)	325	288	226
<b>Total: Ship Maintenance (SCN)</b>	<b>\$660</b>	<b>\$1,606</b>	<b>\$1,320</b>
<b>% of SCN Estimates Funded</b>	100%	100%	100%
<b>Reserve Forces</b>			
Ship Maintenance	80	70	70
Depot Operations Support	4	1	1
<b>Total: Ship Maintenance (O&amp;MNR)</b>	<b>\$84</b>	<b>\$71</b>	<b>\$71</b>
<b>Percentage of Projection Funded</b>	98%	97%	96%
<b>Annual Deferred Maintenance</b>	\$2	\$2	\$4

Note: Totals may not add due to rounding.

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## AIR OPERATIONS

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### *Active Tactical Air Forces*

The budget provides for the operation, maintenance, and training of ten active Navy carrier air wings (CVWs) and three Marine Corps air wings. Naval aviation is divided into three primary mission areas: Tactical Air/Anti-Submarine Warfare (TACAIR/ASW), Fleet Air Support (FAS), and Fleet Air Training (FAT). TACAIR squadrons conduct strike operations, provide flexibility in dealing with a wide range of threats identified in the National Military Strategy, and provide long range and local protection against airborne and surface threats. ASW squadrons locate, destroy, and provide force protection against sub-surface threats, and conduct maritime surveillance operations. FAS squadrons provide vital fleet logistics and intelligence support. In FAT, the Fleet Replacement Squadrons (FRS) provide the necessary training to allow pilots to become proficient with their specific type of aircraft and transition to fleet operations.



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### *Reserve Air Forces*

Reserve aviation will continue to provide vital support to the active force in FY 2007. The reserves support all of the Department's adversary and overseas logistics requirements and a portion of the electronic training and counter-narcotics missions. The Navy Reserve also provides support to the active force through participation in various exercises and mine warfare missions.



Table 7 reflects active and reserve aircraft force structure.

**Table 7**

**Department of the Navy**

**Aircraft Force Structure**

	FY 2005	FY 2006	FY 2007
<b><u>Active Forces</u></b>	<b>21</b>	<b>21</b>	<b>21</b>
Navy Carrier Air Wings	10	10	10
Marine Air Wings	3	3	3
Patrol Wings	4	4	4
Helicopter Anti-Submarine Light Wings	2	2	2
Helicopter Combat Support Wings	2	2	2
<b><u>Reserve Forces</u></b>	<b>5</b>	<b>5</b>	<b>4</b>
Navy Tactical Air Wing	1	1	1
Patrol Air Wing	1	1	-
Helicopter Air Wing	1	1	1
Logistics Air Wing	1	1	1
Marine Air Wing	1	1	1
<b><u>Primary Authorized Aircraft (PAA) - Active</u></b>	<b>2,392</b>	<b>2,308</b>	<b>2,271</b>
Navy	1,357	1,317	1,296
Marine Corps	1,035	991	975
<b><u>Primary Authorized Aircraft (PAA) - Reserve</u></b>	<b>408</b>	<b>366</b>	<b>341</b>
Navy	199	198	183
Marine Corps	209	168	158
<b><u>Aircraft Inventory</u></b>	<b>2,800</b>	<b>2,844</b>	<b>2,811</b>
Active	2,392	2,478	2,470
Reserve	408	366	341



## *Aircraft OPTEMPO*

As discussed in previous sections, the Department has transitioned to the Fleet Response Plan (FRP). The FRP will allow for a varying T-2.5 readiness level across the notional Inter-Deployment Readiness Cycle (T-1.7 while deployed, T-2.0 pre-deployment, T-2.2 post-deployment, and T-3.3 during the maintenance/training phase). The FY 2007 budget supports an average rating of T-2.5. This level will support the “6+1” surge readiness level, but falls short of the peacetime training/operations goal. As in FY 2006, it is anticipated that operational requirements will continue to exceed peacetime levels in FY 2007.



The flying hour program has been priced using the most recent cost per hour experience, including a higher cost for repair part pricing and usage. This is a manifestation of the Department’s older type/model/series aircraft and will continue until our recapitalization program can appreciably reduce average aircraft age.

In FY 2007 FRS operations are budgeted at 82 percent, which is below the 84 percent training requirements, necessary to enable pilots to complete the training syllabus (while taking into account execution limitations due to aircraft availability and



weather). Student levels are established by TACAIR/ASW force level requirements, aircrew personnel rotation rates, and student output from the undergraduate pilot/naval flight officer training program. FAS funding is budgeted two percent below the goal at 96 percent of the total notional hours. The Navy Reserve is budgeted at 77 percent and 90 percent of the notional hours in FY 2006 and FY 2007, as indicated in Table 8.

These flying hours reflect a cost avoidance reduction from 90 percent to 77 percent in FY 2006 in anticipation of continued operations in the GWOT. Monthly flying hours per crew also decrease correspondingly to 8.8 per month in FY 2006, but return to 10.2 per month in FY 2007.

Chart 7 displays historical flying hours.

**Chart 7 - Flying Hour Program**

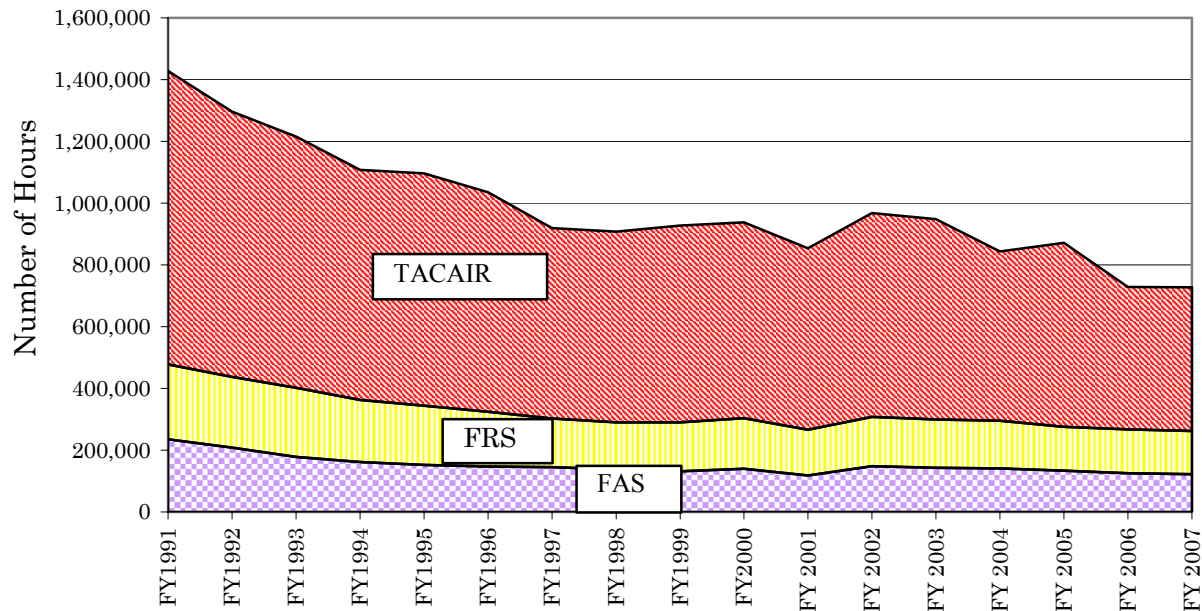


Table 8 displays active and flying hour readiness indicators.

**Table 8**

**Department of the Navy**

**Flying Hour Program**

	FY 2005	FY 2006	FY 2007
<b>Active</b>			
TACAIR	T-2.3	T-2.7	T-2.5
Goal	T-2.3	T-2.3	T-2.3
Fleet Readiness Squadrons (%)	84%	83%	82%
Goal	84%	84%	84%
Fleet Air Support (%)	96%	95%	94%
Goal	96%	96%	96%
Monthly Flying Hours per Crew (USN & USMC)	22.3	17.5	18.2
<b>Reserve</b>			
Reserve Squadrons (%)	T-2.3	T-2.8	T-2.3
Percent of Requirement Funded	90%	77%	90%
Goal	90%	90%	90%
Monthly Flying Hours per Crew (USNR & USMCR)	10.2	8.8	10.2

## Aircraft Depot Maintenance

The active and reserve aircraft depot maintenance programs fund repairs, conversions and overhauls, within available capacity, to ensure that a sufficient quantity of aircraft are available to operational units. The readiness-based model used to determine airframe and engine maintenance requirements is based on squadron inventory authorization necessary to execute assigned missions. The goal of the airframe rework program is to provide enough airframes to meet 100% PAA for deployed squadrons and 90% PAA for non-deployed squadrons. The engine rework program objective is to return depot-repairable engines/modules to Ready-for-Issue (RFI) status, to obtain both zero bare firewalls and fill 90% of each type/model/series RFI engine pool requirements. Other depot maintenance includes the repair of aeronautical components for aircraft systems and equipment under direct contractor logistics support.



**Percent Navy Aircraft Mission Capable/Fully Mission Capable (MC/FMC)**

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Goal</u>
MC Aircraft	68	70	70	73
FMC Aircraft	50	53	53	56

The Department's budget for FY 2007 is sufficient to achieve the active and reserve airframe readiness goals for deployed squadrons, while assuming some risk in engine maintenance and spares inventory. Active non-deployed squadrons are funded to achieve 94 percent and 80 percent of the airframe goal for FY 2006 and FY 2007, respectively; reserve non-deployed squadrons are funded to achieve 100 percent and 92 percent of the airframe goal for FY 2006 and FY 2007, respectively. Deployed squadrons have sufficient aircraft and engines to meet requirements prior to and during deployment. Non-deployed squadrons also have sufficient aircraft to satisfy post deployment readiness requirements associated with squadron and air wing training exercises.

To support a wide range of fleet operations and training, the Navy has targeted an aggregate aircraft Mission Capable (MC) rate of 73 percent and an aggregate Full Mission Capable (FMC) rate of 56 percent. This applies to both deployed and non-deployed aircraft. MC and FMC rates are dependent on both Aircraft Maintenance and Air Operations funding levels.

Table 9 summarizes active and reserve aircraft depot maintenance.

**Table 9**

**Department of the Navy  
Aircraft Depot Maintenance**

(Dollars in Millions)

	FY 2005	% at Goal	FY 2006	% at Goal	FY 2007	% at Goal
<b><u>Active Forces</u></b>						
Airframes	747		533		520	
Engines	313		281		298	
Other Components	80		83		85	
<b>Total: Active Aircraft Depot Maintenance</b>	<b>\$1,140</b>		<b>\$897</b>		<b>\$903</b>	
<b><u>Airframes - Active Forces</u></b>						
Deployed Squadrons meeting goal of 100% PAA	144	100%	140	100%	132	100%
Non-Deployed Squadrons meeting goal of 90% PAA	158	100%	142	94%	127	80%
<b><u>Engines - Active Forces</u></b>						
Engine TMS meeting Zero Bare Firewall goal	71	100%	71	100%	42	60%
Engines TMS meeting RFI Spares goal of 90%	71	100%	38	54%	1	1%
<b><u>Reserve Forces</u></b>						
Airframes	114		103		96	
Engines	39		40		37	
<b>Total: Reserve Aircraft Depot Maintenance</b>	<b>\$153</b>		<b>\$143</b>		<b>\$133</b>	
<b><u>Airframes - Reserve Forces</u></b>						
Non-Deployed Squadrons meeting goal of 90% PAA	66	100%	65	100%	56	92%
<b><u>Engines - Reserve Forces</u></b>						
Engine TMS meeting Zero Bare Firewall goal	48	100%	48	100%	48	100%
Engine TMS meeting RFI spares goal of 90%	48	100%	46	96%	44	92%

Note: Totals may not add due to rounding.



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## MARINE CORPS OPERATIONS

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### *Active Operations*

In FY 2006, the United States is responding to a wide range of challenges across the globe, including fighting the Global War on Terrorism, rebuilding Iraq into a peaceful, productive member of the world community, and preventing the spread of weapons of mass destruction. In this era, the Nation needs forces that are highly mobile, flexible, and adaptable. These characteristics define the Marine Corps, and they must continue to do so in the future.



A new initiative in 2006 is the Marine Corps Special Operations Command (MARSOC). The MARSOC is the Marine Corps Component to the Commander, United States Special Operations Command (USSOCOM), a Unified Combatant Commander. The MARSOC will perform the Title 10 functions of manning, organizing, training, and equipping Marine Special Operations Forces (MARSOFF) to accomplish its mission. The MARSOC headquarters will be responsible for identifying Marine Special Operations-peculiar requirements; to develop Marine SOF tactics, techniques, procedures, and doctrine; and to execute assigned missions in accordance with designated conditions and standards. The MARSOC will perform missions in challenging environments to the exacting conditions and demanding standards determined by CDR USSOCOM. It will provide foreign military training, Special Reconnaissance (SR), Direct Action (DA), and Foreign Internal Defense (FID) capabilities. MARSOC will reach Full Operational Capability by 2010 with a projected end-strength of 2,600 personnel.

The operation and maintenance budget supports the Marine Corps operating forces, comprised of three active Marine Expeditionary Forces (MEFs). Each MEF consists



of a command element, one infantry division, one air wing, and one mobile logistics group. This budget provides for training and equipment maintenance so that Marine Corps Force Commanders can provide combat ready forces to the Combatant Commanders. The Marine Corps is establishing two additional Infantry Battalions.

MEFs provide a highly trained, versatile expeditionary force capable of rapid response to global contingencies. The inherent flexibility of the MEF organization, combined with Maritime Prepositioning Force (MPF) assets, allows for the rapid deployment of appropriately sized and equipped forces. These forces possess the firepower and mobility needed to achieve success across the full operational spectrum in either joint or independent operations. Embedded within each MEF is the capability to source a Marine Expeditionary Brigade (MEB).

Table 10 displays Marine Corps land forces.

**Table 10**

***Department of the Navy***

***Marine Corps Land Forces***

	FY 2005	FY 2006	FY 2007
Number of Marine Expeditionary Forces	3	3	3
Number of Marine Expeditionary Brigades	4	4	4
Number of Active Battalions	52	52	53
Number of Reserve Battalions	21	20	20

***Reserve Operations***

This budget supports a Marine Reserve Force that includes the Fourth Marine Division, the Fourth Marine Aircraft Wing, the Fourth Force Service Support Group, and the Mobilization Command created by the merger of the Marine Corps Support Activity and the Marine Corps Reserve Support Command. The Department's FY 2007 budget ensures that the readiness of the reserve force will be maintained by providing increased funding for training, base support, and the operation and maintenance of equipment.

***Ground Equipment Depot Maintenance***

Repair/rebuild is accomplished on a scheduled basis to maintain the readiness of the equipment inventory necessary to support operational needs. Items programmed for repair are screened to ensure that a valid stock requirement exists and that the repair or rebuild of the equipment is the most cost effective means of satisfying the requirement. This program is closely coordinated with the efforts funded in the Procurement, Marine Corps appropriation to ensure that the combined repair/procurement program provides a balanced attainment of inventory objectives for major equipment. Thus, the specified items to be rebuilt, both principal end items and components, are determined by a process which utilizes cost-benefit

considerations as a prime factor. The rebuild costs for each item are updated annually on the basis of current applicable cost factors at the performing activities. This peacetime budget provides for the major repair and rebuild of USMC ground equipment and balances long term risk with near term readiness for the Maritime Prepositioning Force and Marine Corps Operating Forces. In FY 2005, 53% of the Marine Corps Ground Equipment Depot Maintenance requirement was funded with supplemental resources.

Table 11 summarizes Marine Corps active and reserve forces ground equipment depot maintenance.

**Table 11**

**Department of the Navy**

**Marine Corps Ground Equipment Depot Maintenance**

(Dollars in Millions)

	FY 2005		FY 2006		FY 2007	
	\$	% of Rqmt	\$	% of Rqmt	\$	% of Rqmt
<b>Active Forces</b>						
Combat Vehicles	192.4	90%	64.0	30%	77.1	56%
Tactical Missiles	4.6	52%	-	-%	-	-%
Ordnance	10.9	72%	1.5	10%	0.3	2%
Electrical Communication	37.2	62%	6.9	29%	12.9	57%
Engineering	20.0	60%	-	-%	0.5	5%
Automotive Equipment	66.2	66%	16.9	31%	20.3	35%
<b>Total Active Forces</b>	<b>\$331.1</b>	<b>77%</b>	<b>\$89.4</b>	<b>27%</b>	<b>\$111.2</b>	<b>34%</b>
<b>Reserve Forces</b>						
Combat Vehicles	2.7	100%	11.8	84%	11.2	59%
Tactical Missiles	-	-%	-	-%	-	-%
Ordnance	9.2	100%	0.1	10%	-	-%
Electrical Communication	0.1	100%	-	-%	-	3%
Engineering	-	-%	0.1	2%	0.5	24%
Automotive Equipment	-	-%	1.7	69%	2.0	76%
<b>Total Reserve Forces</b>	<b>\$11.9</b>	<b>100%</b>	<b>\$13.7</b>	<b>64%</b>	<b>\$13.7</b>	<b>50%</b>
<b>Total Active &amp; Reserve Forces</b>	<b>\$343.0</b>		<b>\$103.1</b>		<b>\$124.9</b>	

**Also refer to Appendix A for more information:**

Operation and Maintenance, Marine Corps

Operation and Maintenance, Marine Corps Reserve

**Table**

A-6

A-8

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